

**CITY OF GERMANTOWN
EMPLOYEE BENEFITS THIRD PARTY ADMINISTRATION SERVICES
ADDENDUM NO.1**

The attached items on the above-named Project will be updated and adjusted (if required) by this Addendum No. 1 so as to reflect the revision to the Request for Proposal:

GENERAL NOTES:

Because this RFP information was posted on the City's website for everyone to download, it is the vendor's responsibility to notify the City that they wish to receive e-mail notifications for Addendums. Please send request via e-mail to Lpiefer@germantown-tn.gov . In the event that you do not receive an addendum or want to verify before you submit your proposal, all Addendum's will be posted on the City's "Doing Business- Bid Opportunities" page.

General Questions:

1. **Question:** Can the City of Germantown provide monthly claims and enrollment for the medical, pharmacy, vision, and dental plans from 01/01/2011 to current broken out by Active, Pre-65 Retiree, and Post-65 Retiree? A number of months of data are absent from the bid files online.

Response: There are two files, an excel file labeled CGT. Claims Paid 10.2011-06.2011 and a .pdf file labeled CGT. Claims paid. 05.2010-12-2010. **NOTE:** the City is not asking for a stop loss quote and the TPA must be willing to work with the stop loss carrier independently acquired by the City.

2. **Question:** Please confirm that the Performance Bond is needed only if the bidder is awarded the contract. What amount would the Performance Bond need to provide coverage for?

Response: Yes. The Performance Bond is only required of the successful bidder. The amount will be based upon one year of services.

3. **Question:** Would the City of Germantown consider additional options related to Medicare Advantage and Part D PDP plans for its post-65 retiree population?

Response: Not at this time.

4. **Question:** Would the City of Germantown consider any alternative funding arrangements as part of the proposal process in addition to the requirements listed (i.e. insured with retroactive premium corridor, minimum premium, etc...)?

Response: **NOTE:** the City is not asking for a stop loss quote and the TPA must be willing to work with the stop loss carrier independently acquired by the City.

5. **Question:** Would the City of Germantown consider incorporating the Bidder's standard ASO Agreement in addition to the "Contract for Third Party Administrator Services" as there are a number of items that are not covered in the provided contract that are necessary from a compliance/legal standpoint?

Response: **NOTE:** The TPA must be willing to duplicate the City's Plan Document in a way that does not add or remove any of the substantive material contained in the document. If you cannot accomplish that, you are advised to provide a detailed narrative of every item that will be changed or added. The City is not obligated to accept these changes but will review only.

Specific Questions Relating to the “General Conditions” File:

1. **Question:** Condition 20- Bidder considers provider-specific discount information to be proprietary and confidential. Given the Freedom of Information Act and other State of Tennessee code provisions, in what manner will this information be protected by the City of Germantown from open inspection by competing bidders following the award of the bid?

Response: The City will take this request under review and provide a final Response as soon as possible.

2. **Question:** Condition 22- Does the City of Germantown have a specific legal requirement to sign/pre-approve claim payments in excess of \$5,000? If not, will the City of Germantown provide additional detail around this requirement (i.e. rationale for utilizing this methodology)?

Response: All claims payment in excess of \$5,000 requires a signature from the TPA representative and the City Administrator/Mayor.

Specific Questions Relating to the “RFP Specifications” File:

1. **Question:** Item 6- Cigna is pleased to provide a full disruption report for the City of Germantown to review. However, it does not appear that a disruption file outlining the current providers utilized was included in the bid package. Can the City of Germantown provide a complete provider listing to include provider name, address, city, state, zip, and tax identification number of utilized providers so that prospective bidders can complete a full disruption analysis?

Response: This report has been requested and will be posted in addendum on the City’s website when it is received.

2. **Question:** Item 11a- Can the City of Germantown clarify this clause “You will allow coordination of claim submissions by the Benefit Department”?

Response: Occasionally an employee may have difficulty filing a claim or settling an issue with the TPA. In those instances the Benefits Department becomes involved as a service to the employee, working directly with the TPA, to resolve the issue.

3. **Question:** Item 19- Can the City of Germantown define “On-Site Claim Retrieval” in this item?

Response: Will the City have access to claim data on line?

4. **Question:** Item 23- Would the City of Germantown consider utilizing passive vision and dental networks to maximize claim savings without disruption to its employees and dependents?

Response: The City will consider, but not be obligated to accept, as long as there is no penalty of any kind to the employee or dependent for not using a network.

5. **Question:** Item 31- Will the City of Germantown clarify the term “reinsurance claims” in this item to clarify whether it means all runout claims (incurred prior to May 1st but submitted for payment May 1st or later)?

Response: All claims would be assumed. This question is to clarify that continued adjudication of ongoing reinsurance claims will also be included, and is to include the charge for doing so. Again, This is with an independent stop loss carrier with a 1-1-2013 to 12-31-13 effective date.

6. **Question:** Item 71, 72, and 73- Given the proprietary nature of the information requested and the limited ability to protect this information, would the City of Germantown consider completing a repricing analysis completed by a third party actuarial firm with the cost paid for by the winning bidder as a condition of the contract being awarded? Bidder is extremely concerned that providing the information in the requested form would expose highly confidential competitive intelligence to our competitors.

Response: The City will take this request under review and provide a final Response as soon as possible.

In some cases, the above items may be clarifications and further explanations of the Specifications in the Request for Proposal. However, any changes to the Specifications will be incorporated in the Contract Documents for this Project. All CONTRACTORS must acknowledge receipt of this Addendum No. 1 on **the attached Addendum Acknowledgement form** when submitting a PROPOSAL for consideration.

Lisa A. Piefer

Lisa A. Piefer
Purchasing Officer

November 20, 2012

Date

ADDENDA ACKNOWLEDGEMENT FORM

Proposer acknowledges receipt of the following addenda (as applicable):

Addendum No. 1 _____ Dated _____

Addendum No. 2 _____ Dated _____

Addendum No. 3 _____ Dated _____

Addendum No. 4 _____ Dated _____

Addendum No. 5 _____ Dated _____

Addendum No. 6 _____ Dated _____

(Name of Proposer)

By: _____

Title: _____